

## Voluntary Benchmarking Programs vs. Mandatory Benchmarking Policies: A Comparison

### INTRODUCTION

Voluntary benchmarking challenge programs can be useful tools to advancing energy efficiency in a city. By getting building owners to engage in benchmarking and to report their data, a voluntary program can bring attention to opportunities for energy efficiency improvements for their participants. The Department of Energy’s Better Buildings Initiative, which encourages participants to commit to voluntary energy efficiency reduction targets, has seen over 1.4 quadrillion Btus of energy saved and \$8.5 billion in avoided utility costs through the contributions of its 900+ private and public sector participants<sup>1</sup>.

These results are certainly impressive and impactful. However, cities who participate in these programs tend to see a relatively small subset of participants among their total pool of commercial building stock, with the most successful programs reaching less than 20%. And those 20% of participants tend to be the higher-performing buildings that are already undergoing improvements. This means that the 80% of buildings that aren’t participating are also less likely to be energy efficient. In order to achieve their climate goals, those cities ultimately turned to mandatory benchmarking policies. The table below illustrates the size of total commercial footprint that some of the nation’s larger programs were able to achieve. Each of these cities ultimately enacted benchmarking requirements to ensure broader citywide action to advance energy efficiency.

City	Length of Program	Participating Square Footage in Voluntary Challenge Program	Total Commercial Square Footage Covered by Policy	% of Total Voluntary Commercial Square Footage
Atlanta	2011 – present	100 million	402 million	25%
Chicago	2012 – present	37 million	900 million	4%
Los Angeles	2011 – present	100 million	900 million	11%
Seattle	2011 – present	59 million	281 million	21%

### EVOLVING BEST PRACTICES

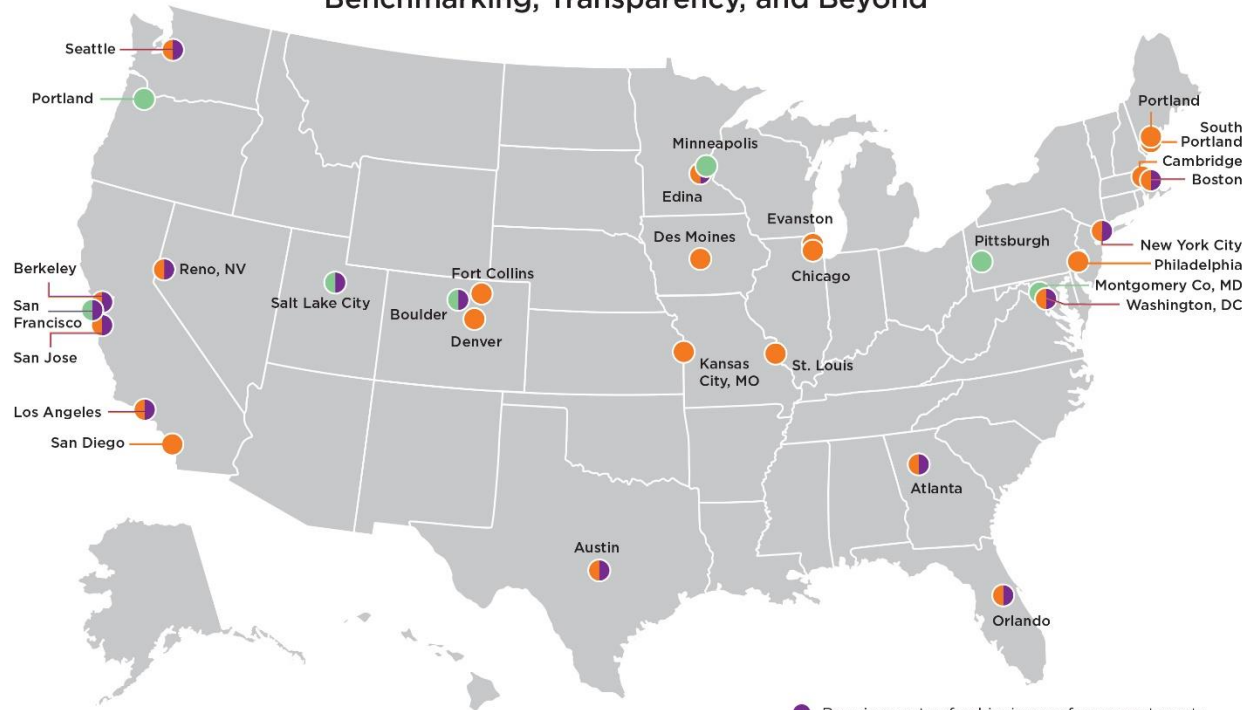
With few exceptions, voluntary benchmarking programs in the early 2010s served as multi-year precursors to the adoption of a benchmarking policy. Those programs demonstrated the limited potential for participation from the private sector in a voluntary program. As additional cities contemplate adoption of a benchmarking program, the evolving best practice is to move forward with a benchmarking policy first and, if demand and capacity exists, create a voluntary benchmarking challenge program to encourage early compliance with that policy. This essentially serves as an “accelerator” for a policy’s energy efficiency savings impact. The map on the following page identifies the cities in the US that currently have a benchmarking mandate in place for commercial buildings.

---

<sup>1</sup>

[https://betterbuildingssolutioncenter.energy.gov/sites/default/files/program/DOE\\_BBI\\_2019\\_Progress\\_Report.pdf](https://betterbuildingssolutioncenter.energy.gov/sites/default/files/program/DOE_BBI_2019_Progress_Report.pdf)

## U.S. City and County Policies for Existing Buildings: Benchmarking, Transparency, and Beyond



© Copyright 2019 Institute for Market Transformation. Updated 6/2019